

Form AZ_MU3	MORTGAGE BRANCH OFFICE FORM				
Submission is for a: <input type="checkbox"/> New Branch <input type="checkbox"/> Amending a Licensed Branch					
This Form MUST be submitted with:		Form MU 1			
		Form MU 1 - Arizona Addendum			
		Form MU 3			
This Form MUST be signed and notarized by:		Responsible Individual			
		Officers			
		Owners (An individual identified on Schedule A or B)			

Arizona has adopted the Uniform Branch Application (Form MU3). In addition to the attachments required in the Form MU3 instructions, send the following jurisdiction-specific requirements to the **Arizona Department of Financial Institutions Licensing Division**.

1. **Complete the branch application** forms MU3 and MU3 Arizona Addendum, for any location that Arizona business will be conducted from.
2. **To establish** one or more locations in addition to the principal place of business the licensee shall first obtain a branch office license. If requesting permission for several branch locations, use a separate application and verification form for each location.
3. **There must be a designated person** (branch manager) for each branch, to oversee the operation of that office. Such person may oversee more than one branch. SEE Form MU3 6a. The branch manager is not required by Arizona to submit the MU2 forms..
4. **The branch application** is only complete if the verification is signed, notarized and attached.
5. **The application fee** for each location must accompany the original application. **Application fees are non-refundable and are listed below.** Include the prorated license fee with the application to expedite the process. To determine the prorated license fee, refer to your license type; look under the column for the month of the application.

License Type	Application Fee	<u>Plus</u> - Prorated License Fees			
		Jan/Feb/Mar	Apr/May/June	July/Aug/Sept	Oct/Nov/Dec
Commercial Mortgage Banker	\$500.00	\$62.50	\$250.00	\$187.50	\$125.00
Mortgage Banker (Lender)	\$500.00	\$62.50	\$250.00	\$187.50	\$125.00
Mortgage Broker	\$250.00	\$150.00	\$100.00	\$50.00	\$200.00

6. **Renewal:** Any branch license issued on or prior to your renewal expiration date (Bankers (Lenders) 3/31 Brokers 9/30) must renew or it will be closed. If your branch application has not been processed on or before the renewal expiration date, then the fee required will automatically jump up to the fee amount for the next quarter. Hence, you will be required to submit the additional remaining amount to equal the current prorated license fee and will need to attach a copy of the original application with a cover letter stating that the attached license fee is the additional prorated amount due.

- 7. Amending A Branch License:** See form MU3. - For a branch manager change complete A, B, C & D below. For an address change, you must complete and return this entire form and submit the address change fee of \$50 and return the original license or the duplicate license fee of \$100.

A. Principal Licensed Location Information (found on principal license):		
License Type Check One: <input type="checkbox"/> Broker <input type="checkbox"/> Banker (lender) <input type="checkbox"/> Commercial Banker (lender)		Principal Arizona License Number (if licensed):
Exact Name of Licensee In Arizona:		
Exact DBA / Trade name if applicable:		
AZ Telephone Number: () - ext.	AZ Fax Number: () -	Email Address
B. New Branch Office or changing a Branch Location:		
Is Zoned as a: Check One <input type="checkbox"/> Commercial OR a <input type="checkbox"/> Residential Location		Branch License Number (if licensed):
C. Individual to contact regarding the processing of this branch:		
Name:		Title:
Address:		
City:		State: Zip Code:
Direct Telephone Number & Extension: () - ext.	Fax Number: () -	Toll Free Number: () -
D. Branch Manager:		
Name of Designated Branch Manager (Overseer or Contact Person):		

8. DELIVERY INSTRUCTIONS

Please send the original completed Form MU1, and MU1 AZ addendum forms, fees, and all required attachments to the following address:

**Arizona Department of Financial Institutions
Licensing Division
2910 North 44th Street, Suite 310
Phoenix, Arizona 85018**

9. MAKE CHECK PAYABLE TO

Arizona Department of Financial Institution or AZDFI

- 10.** Submit only one (1) check for both the (total number of) application(s) and license(s) fees.

11. WHO TO CONTACT

To contact the licensing division of the Arizona Department of Financial Institutions call 602.255.4421 and ask for licensing or send your questions via e-mail to licensing@azdfi.gov for additional assistance.

Attention: Mortgage Banker (Lender) / Brokers

Branch Verification Required for all Branch Locations

A.R.S. §§ 6-903(O) and 6-944(A) state, in pertinent part, that a mortgage broker license and a mortgage banker license are “**not transferable or assignable**” without the prior written consent of the superintendent.

Engaging in any of the activities listed below, commonly referred to as “net branching,” can result in the Department taking regulatory enforcement action up to and including license revocation and the imposition of a civil money penalty of not more than **five thousand dollars (\$5,000.00)** for each violation for each day. **THIS IS NOT AN EXHAUSTIVE LIST.**

- **DON'T** transfer or assign your mortgage broker or banker license to “branch managers” or “owners.”
- **DON'T** require branch managers to pay for branch start up costs, including, but not limited to, the cost of branch office licenses, bank account deposits, background checks, accounting fees, HUD license fees, security deposits, training, payroll fees, and loan software fees.
- **DON'T** require branch managers to sign agreements to pay monthly fees for using your license.
- **DON'T** fail to assume responsibility and liability for branch office leases that are rightfully your responsibility. You or your designated officers should sign rent and equipment leases, not branch managers.
- **DON'T** fail to assume the responsibility and liability for branch office equipment leases that are rightfully your responsibility. Branch managers should not sign these leases.
- **DON'T** fail to assume the responsibility and liability for utilities, office supplies and equipment, appraisals, alarm equipment, and any other bills incurred by branches. Bills, utilities, and invoices should be in licensee’s name.
- **DON'T** inform the Better Business Bureau that your branches are independent.
- **DON'T** fail to account for all branch income and expenses on tax returns and on financial statements.
- **DON'T** fail to maintain physical access to your branches at all times.
- **DON'T** fail to maintain control over the payment of your branch expenses.
- **DON'T** fail to maintain a uniform settlement service fee structure among all of your branch offices. Borrowers should be able to pay the same fees at any office. You should not allow branch managers to set their own fee structure.
- **DON'T** pay W-2 income to companies owned by branch managers in an attempt to evade taxes.
- **DON'T** fail to employ practices and procedures consistent with all HUD guidelines.
- **DON'T** fail to maintain control over branch bank accounts or allow branch managers to write payroll checks and reimburse themselves for expenses.

For more information, please access www.hudclips.org and click on “Access HUD Letters and Notices from past years” to read, among other things, Mortgagee Letter 00-15, which addresses “Prohibited Branch Arrangements.”

Must be Signed & Notarized

COUNTY OF _____

Date _____

Officer's Signature

Subscribed and sworn to before me this _____ day of _____ 20_____

My commission expires:

Notary Public